



Bi-weekly Bulletin

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COLOMBIA

Colombia has established successful trade partnerships with several countries and a favourable environment for foreign investment after liberalizing its economy in the early 1990s. Today, Colombia engages in significant international trade, primarily with the US and its Andean neighbours, and has opened itself up to foreign investment. Canada has also established a good trading relationship with Colombia, which shows potential for growth. This issue of the *Bi-weekly Bulletin* looks at the situation and outlook for Colombia's agricultural sector and examines the prospects for increasing Canadian exports of agriculture and agri-food products to Colombia.

Background

Colombia, with a population of about 44 million, is the third-most populous country in Latin America, after Brazil and Mexico. It has substantial oil reserves and is a major producer of gold, silver, emeralds, platinum, and coal. In recent years, Colombia has experienced relatively favourable economic conditions, but its unemployment rate, estimated at 10.2% for 2005, remains relatively high. As well, Colombia continues to struggle with security issues and requires new exploration to offset declining oil production. Nevertheless, several international financial institutions have praised Colombia's economic reforms which have reduced public sector deficit to less than 1.5% of its Gross Domestic Product (GDP).

Colombia's good economic growth, which is estimated at 5.1% in 2005, can be attributed to several factors: prudent fiscal policies, improvements in domestic security paid for primarily by a one-time tax on its wealthiest citizens, and the adoption of currency stabilizing and inflation fighting policies. Colombia's liberalized trade regime has contributed to an increase in trade with neighbouring countries, and with the U.S. Its economic outlook has also been supported by the rise in coffee prices.

However, due to some of its recent tax reforms, Colombia's corporate and

personal tax rates are among the highest in Latin America, which may have dampened its economic recovery.

Foreign Investment

Colombia moved away from a highly regulated economy with the introduction of economic liberalization or "apertura" in 1990 by President Cesar Gaviria. Deregulation included tariff reductions, financial deregulation, privatization of state-owned enterprises, and the adoption of a more liberal foreign exchange rate. Most sectors of the economy, except for agriculture, were opened up to foreign investment, allowing it to establish major

commercial and investment ties with the U.S. Mining, manufacturing industries, and oil have attracted the greatest amount of interest from U.S. investors in recent years. U.S. investments now account for about 15% of Colombia's total foreign investments.

Trade

Foreign trade contributes about 40% of Colombia's GDP. The U.S. is Colombia's most important trading partner, accounting for 40% of Colombia's exports and 29% of its imports in 2005. U.S. exports to Colombia are estimated at US\$5.4 billion (G) for 2005, and U.S. imports of

Colombian goods and services for that same year are estimated at US\$9.4 G. The EU, Japan and neighbouring Andean countries are Colombia's other important trading partners.

Andean Price Bands

Agricultural products entering Colombia from countries other than those with trade agreements with Colombia are subject to various tariffs. The basic tariff rate for a specific product is determined according to the applicable Harmonized System (HS) code. For many agricultural products such as wheat, barley, and corn, the basic tariff rate is 15%. That tariff rate is then subjected to the Andean Price Band, which is designed to compensate for changes in the world price of

CANADA: EXPORTS TO COLOMBIA

	2004	2005	2006f
	million dollars.....		
Grains, bulk or cereals	128.9	68.0	74.1
Edible vegetables, roots, tubers	40.2	32.5	26.3
Other	9.7	27.4	18.2
Total	178.8	127.9	118.6

f: forecast, AAFC, January 2007

Source: Statistics Canada

CANADA: IMPORTS FROM COLOMBIA

	2004	2005	2006f
	million dollars.....		
Coffee, tea, maté and spices	89.1	126.1	107.0
Fruit and nuts	65.6	88.9	93.7
Live tree, plant, flowers floriculture	57.2	60.8	60.1
Other	21.8	17.7	46.4
Total	233.7	293.5	307.2

f: forecast, AAFC, January 2007

Source: Statistics Canada

importable products. To construct the Price Band for a specific agricultural product, a reference price is determined from international indicator markets. Current international prices are scrutinized to determine if they fall within the specific price band, which in the case of wheat, barley, and corn are: US\$173-191 per tonne (t); US\$147-157/t; and US\$130-142/t, respectively. For example, if the international price of wheat falls within the applicable Price Band, no change is made to the applied tariff rate. However, if the international price for wheat is less than US\$173/t, the tariff rate is increased to bring the imported price within the Price Band. Conversely, if the international price of wheat is above US\$191/t, the tariff rate is decreased accordingly. The current Price Band is in effect from April 1, 2006 to March 31, 2007.

Agriculture

The agricultural sector accounts for about 13% of Colombia's GDP, and provides jobs for about 23% of its workforce. About 8%, or 12 million hectares (Mha), of Colombia's total land area is cultivated, of which half is under irrigation. The diverse climate and topography allows for the growth of a wide array of crops, including coffee, bananas, cut flowers, cotton, sugarcane, livestock, rice, corn, tobacco, potatoes, soybeans, and sorghum. However, Colombia relies on imports of grains such as corn, wheat, barley and oats.

The hot regions typically situated at between sea level and 1000 meters elevation, produce cacao, sugarcane, coconuts, bananas, plantains, rice, cotton, tobacco, cassava and most of the nation's beef cattle. The temperate regions, located between 1,000 and 2,000 meters elevation, produce coffee, flowers, corn, vegetables and fruit. The cooler regions, between 2,000 and 3,000 meters elevation, produce wheat, barley, potatoes, cold-climate vegetables, flowers, dairy cattle and poultry.

The majority of Colombia's arable land is in perennial crops such as coffee, tea, bananas and cacao. About 9% of Colombia's arable land is seeded to annual field crops such as rice, corn, wheat, sorghum, barley and oats. The amount of land seeded to field crops has remained relatively unchanged for the past five years, averaging 1.1 Mha

annually. Similarly, total production of the major field crops has remained relatively stable as overall crops yields have remained virtually unchanged during the past five years.

Rice is Colombia's largest field crop, albeit by a small margin over corn. It is essentially self-reliant in rice production, although it imports small amounts of rice each year to meet its domestic needs. Colombia, however, relies almost exclusively on imports of wheat, which is primarily for human consumption.

Colombia is also heavily reliant on imports of corn, barley and oats to meet a growing demand for livestock feed, which has increased by over 50% during the past five years. The USDA estimated Colombia's cattle herd at 25 million head in 2002, which are the most recent data available.

Agricultural Trade with Canada

Canada's agricultural trade with Colombia has averaged CDN\$400 million (M) over the past five years. However, Canada has experienced an increasing trade deficit with Colombia, averaging CDN\$84M annually for the past five years. For 2006, the trade deficit with Colombia is projected at a record CDN\$189M, up from the previous year's record deficit of CDN\$166M.

Canada's exports of grains, oilseeds, and pulse and special crops have averaged 0.57 million tonnes (Mt) during the past five years. Canada's most important agricultural exports to Colombia, listed in order of magnitude, are: wheat, lentils, barley, dried peas, and durum wheat. Similarly, exports of grains, oilseeds, and pulse and special crops, in terms of dollar value, represent about two-thirds of the Canada's total agricultural exports to Colombia.

COLOMBIA: WHEAT IMPORTS BY COUNTRY

July/June Crop Year	2001 -2002	2002 -2003	2003 -2004	2004 -2005	2005 -2006
	thousand tonnes.....				
Argentina	42	18	-	85	275
Australia	-	103	53	-	-
Canada	582	258	456	373	333
EU	-	4	-	-	-
US	537	737	734	772	633
Other	0	46	3	17	73
Total	1,161	1,166	1,246	1,248	1,314

Source: International Grains Council, USDA-FAS

CANADA: EXPORTS TO COLOMBIA GRAINS, OILSEEDS, PULSES AND SPECIAL CROPS

	2004	2005	2006f
	tonnes.....		
Wheat*	457,261	295,436	305,000
Barley	101,858	26,247	70,000
Durum wheat	9,992	10,843	41,000
Oats	166	0	22
Other **	345	1,538	1,978
Sub-Total	569,622	334,064	418,000
Lentils	53,590	52,961	54,000
Dry peas	28,801	27,361	28,000
Canary seed	4,668	6,576	6,300
Chickpeas	5,253	3,177	4,400
Dry beans	0	1,221	700
Other***	215	171	600
Sub-Total	92,312	91,467	94,000
Total	661,934	425,531	512,000

* Includes nes and meslin

**Other contains linseed, canola and rye

*** Other contains sunflower and mustard seeds

f: forecast, AAFC, January 2007

Source: Statistics Canada

Wheat is Canada's most important agricultural export, averaging 0.41 Mt annually during the past five years. However, wheat exports during this period have decreased significantly from 0.58 Mt in 2001, and are forecast at 0.305 Mt for 2006, up slightly from 0.295 Mt in 2005. It must however be noted that since the 2001-02 crop year, exportable supplies of western Canadian wheat have been negatively affected by two consecutive years of severe drought, followed by a year of adverse weather conditions at harvest time that reduced crop quality.

Canada's biggest competitor in Colombia's medium grade wheat market is the U.S., although Argentina and Australia have also made significant wheat sales to Colombia in recent years. During the past five years, Canada has averaged one-third of all wheat sales to Colombia.

Exports of **lentils** have averaged 0.05 Mt for the past two years, and are forecast at 0.054 Mt for 2006, up slightly from 0.053 Mt in 2005. **Barley** exports to Colombia have averaged



CANADA: GRAINS AND OILSEEDS OUTLOOK

February 6, 2007

For 2006-07, the supply of grains and oilseeds (G&O) in Canada reached a record as high carry-in stocks more-than offset lower production. Exports are forecast to increase by 14% mainly because of higher exports of wheat. Total domestic use is expected to rise, partly due to increased use of corn and wheat for ethanol production. Carry-out stocks of G&O are forecast to be significantly lower than last year, as confirmed by Statistics Canada's estimate of stocks of Canadian grain at December 31, 2006. Canadian prices for all crops, except flaxseed, are expected to be higher than in 2005-06 due to strong prices in the US. The Canadian dollar is expected to average stronger than in 2005-06. The major factors to watch are: the biofuel market, southern hemisphere crop development, ocean freight rates and exchange rates.

For 2007-08, areas seeded to canola, durum, barley, corn and oats will increase in 2007 but area seeded to wheat ex-durum, flaxseed, and soybeans is forecast to decrease, as is the area in summer fallow. Due to higher area and yields, production of G&O is forecast to increase to 67.2 million tonnes (Mt) from 64.4 Mt for 2006-07. However, the total supply is forecast to decline due to lower carry-in stocks. Although exports are projected to decrease, food and industrial use is forecast to increase significantly due to the strong demand for biofuel. Carry-out stocks are forecast to decrease slightly. World and Canadian wheat prices are expected to decrease as US and Australian growing conditions return to normal. World corn and oilseed prices are expected to increase on support from the growing biofuel sector in the United States (US) and the European Union (EU). Canadian barley prices are expected to decrease due to significantly higher barley production in Canada and Australia. Canadian oat prices are expected to decrease, despite higher corn prices, as the significant increase in Canadian oat production decreases the premium for oats relative to corn in the US.

DURUM

For 2006-07, exports are forecast to be slightly higher than the record set in 2005-06, mainly due to reduced competition from other exporters such as the US, the EU and Australia. Carry-out stocks are forecast to fall by 42%, to 1.9 Mt, near the 10-year average. Prices have risen sharply due to declining exporter stocks.

For 2007-08, production is forecast to increase due to increased seeded area, but remain below the 10-year average. Supply is expected to fall by 10% because of reduced carry-in stocks. Exports are forecast to decline to a near-normal 3.8 Mt, due to reduced supply and increased competition from the US and Australia. Although carry-out stocks are forecast to decline by 10%, CWB pool returns are forecast by AAFC to decline marginally from 2006-07 due to pressure from lower non-durum wheat prices.

WHEAT (ex durum)

For 2006-07, exports are forecast to increase by 35%, due to improved CWRS quality, record Ontario production and reduced export competition. Domestic use is forecast to be similar to 2005-06, with increased industrial use for ethanol production largely offsetting lower feed use. Carry-out stocks are forecast to decline by 7% to 6 Mt vs. the 10-year average of 5.5 Mt. CWB pool returns are sharply higher due to the tight major exporter supply situation.

For 2007-08, production is forecast to decline by 11%, due to lower area seeded and average yields. Industrial use is expected to continue to rise as new ethanol plants come on-line in western Canada, with total domestic consumption reaching a record. Exports are forecast to decline due to reduced supplies and increased domestic demand. Carry-out stocks are projected to decline by 17%, to 5 Mt, slightly below average. CWB pool returns are forecast by AAFC to remain high, as pressure from increased exporter supplies is largely offset by spillover support from strong corn prices.

BARLEY

For 2006-07, exports are forecast to decrease significantly due to lower exports of feed barley. Carry-out stocks are forecast to decrease to the second lowest in recent history. Off-Board feed barley prices are expected to average significantly

higher than 2005-06, due to high corn prices in the US and low supplies of barley in Canada.

For 2007-08, production is forecast to increase by 21% due to higher area seeded and yields. Total supply is also forecast to rise sharply. Exports are expected to increase slightly, while feed use remains similar to 2006-07. Carry-out stocks are expected to increase. The average off-Board feed barley price is forecast to fall by 10%, as the pressure from higher domestic and global barley production more than offsets the support from higher corn prices. For similar reasons, CWB pool returns are forecast by AAFC to decline, particularly for two-row designated barley.

OATS

For 2006-07, exports are forecast to reach record high, due to low US production and reduced exportable supplies from the EU. As a result, carry-out stocks are forecast to fall significantly. For 2007-08, production is forecast to increase by 15%, due to higher area and yields. Total supply is also expected to increase, as higher production more than offsets lower carry-in stocks. Exports are forecast to decrease slightly. Carry-out stocks are expected to rise significantly. The nearby oat futures contract on the CBOT is forecast to decrease from 2006-07 to C\$160/t.

CORN

For 2006-07, imports are forecast to increase by 10%, due to lower domestic supplies and strong demand for ethanol production. Due to high corn prices, feed use is expected to decrease slightly. Carry-out stocks are expected to decline by 15%. For 2007-08, production is forecast to increase by nearly 20% to a record high, due to higher area. Imports are forecast to decline slightly, as the increase in domestic production is more than sufficient to meet higher domestic demand. Carry-out stocks are forecast to increase slightly. The average price at Chatham elevator is forecast to rise by \$10/t to \$145/t.

CANOLA

For 2006-07, exports are forecast to increase by 3%, to 5.6 Mt, while domestic crush is forecast to increase marginally to 3.5 Mt. Carry-out stocks are forecast to decrease as the average price increase by 33% to \$380/t.

For 2007-08, production is forecast to increase by 8% due to higher seeded area which more than offsets lower yields. Total supply is expected to increase by about 4% as the rise in production more than offsets the decline in carry-in stocks. Exports and domestic crush are forecast to increase to record levels. Carry-out stocks are forecast to decline by 11%, while canola prices are forecast to rise slightly.

FLAXSEED (excluding solin)

For 2006-07, exports are forecast to rise sharply, due to increased supply and high crude oil prices. Carry-out stocks are expected to rise. The average price is forecast to remain similar to 2005-06. For 2007-08, production is forecast to decline by 42% due to a sharp decrease in seeded area and slightly lower yields. Exports are forecast to remain stable while domestic use decreases slightly. Carry-out stocks are projected to decrease significantly, although prices are forecast to be similar to 2006-07.

SOYBEANS

For 2006-07, exports are forecast at a record high of 1.4 Mt, while the domestic crush is expected to be a near-record 1.6 Mt. Carry-out stocks are expected to rise and the Chatham price is expected to average higher than 2005-06 on support from higher US prices.

For 2007-08, production is forecast to decrease significantly due to lower seeded area and yields. Total supply is forecast to fall by 10%, as higher carry-in stocks partly offset the decrease in production. Exports and domestic crush are forecast to rise to record highs. Carry-out stocks are forecast to fall, while the average Chatham price increases.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

February 6, 2007

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested thousand ha	Yield t/ha	Production	Imports (b)	Total Supply	Exports (c)	Food & Industrial Use (e) ¹	Feed, Waste & Dockage ²	Total Domestic Use (d)	Carry-out Stocks	Average Price (f) \$/t
thousand metric tonnes												
Durum												
2005-2006	2,341	2,297	2.58	5,915	4	8,405	4,269	249	454	870	3,266	179
2006-2007F	1,760	1,738	2.20	3,821	1	7,088	4,300	255	443	888	1,900	214*
2007-2008F	2,025	2,000	2.25	4,500	1	6,401	3,800	260	441	901	1,700	210
Wheat Except Durum												
2005-2006	7,753	7,530	2.77	20,860	23	26,318	11,499	2,877	4,605	8,378	6,442	180
2006-2007F	8,964	8,796	2.67	23,456	19	29,917	15,500	3,200	4,405	8,417	6,000	209*
2007-2008F	8,100	7,900	2.64	20,875	14	26,889	13,000	3,700	4,325	8,889	5,000	205
All Wheat												
2005-2006	10,094	9,826	2.72	26,775	26	34,723	15,768	3,126	5,059	9,247	9,708	
2006-2007F	10,725	10,534	2.59	27,277	20	37,005	19,800	3,455	4,848	9,305	7,900	
2007-2008F	10,125	9,900	2.56	25,375	15	33,290	16,800	3,960	4,766	9,790	6,700	
Barley												
2005-2006	4,440	3,889	3.21	12,481	46	15,962	2,975	167	9,192	9,698	3,289	110
2006-2007F	3,861	3,362	2.98	10,005	40	13,333	2,300	260	8,858	9,533	1,500	140-160
2007-2008F	4,660	4,170	3.07	12,800	35	14,335	2,400	300	8,830	9,535	2,400	125-145
Corn												
2005-2006	1,124	1,096	8.63	9,461	1,905	13,167	242	2,220	8,692	10,924	2,001	96
2006-2007F	1,127	1,093	8.48	9,268	2,100	13,369	150	2,900	8,604	11,519	1,700	125-145
2007-2008F	1,350	1,300	8.46	11,000	2,000	14,700	200	3,900	8,785	12,700	1,800	135-155
Oats												
2005-2006	1,853	1,326	2.59	3,432	20	4,427	1,877	79	1,439	1,678	872	144
2006-2007F	1,923	1,431	2.52	3,602	15	4,489	2,100	75	1,543	1,789	600	170-190
2007-2008F	2,160	1,590	2.62	4,160	10	4,770	1,900	70	1,625	1,870	1,000	150-170
Rye												
2005-2006	226	148	2.42	359	1	490	123	48	132	197	170	81
2006-2007F	201	130	2.33	302	1	473	110	48	178	243	120	95-115
2007-2008F	170	120	2.25	270	1	391	110	48	116	181	100	80-100
Mixed Grains												
2005-2006	209	109	2.78	303	0	303	0	0	303	303	0	
2006-2007F	245	107	2.72	291	0	291	0	0	291	291	0	
2007-2008F	225	120	2.88	345	0	345	0	0	345	345	0	
Total Coarse Grains												
2005-2006	7,852	6,568	3.96	26,036	1,972	34,349	5,218	2,514	19,757	22,800	6,331	
2006-2007F	7,356	6,122	3.83	23,467	2,156	31,954	4,660	3,283	19,473	23,374	3,920	
2007-2008F	8,565	7,300	3.91	28,575	2,046	34,541	4,610	4,318	19,701	24,631	5,300	
Canola												
2005-2006	5,491	5,283	1.83	9,660	140	11,386	5,412	3,423	492	3,956	2,019	278
2006-2007F	5,373	5,322	1.71	9,105	150	11,274	5,600	3,475	404	3,924	1,750	350-390
2007-2008F	5,975	5,880	1.67	9,800	150	11,700	6,000	3,700	405	4,150	1,550	360-400
Flaxseed												
2005-2006	842	803	1.35	1,082	38	1,144	537	n/a	n/a	272	336	276
2006-2007F	842	826	1.26	1,041	20	1,397	650	n/a	n/a	297	450	255-295
2007-2008F	520	495	1.21	600	20	1,070	650	n/a	n/a	245	175	255-295
Soybeans												
2005-2006	1,176	1,169	2.70	3,161	339	3,770	1,315	1,493	339	1,960	495	220
2006-2007F	1,238	1,226	2.88	3,533	250	4,278	1,400	1,600	503	2,228	650	235-275
2007-2008F	1,170	1,155	2.47	2,850	350	3,850	1,450	1,650	315	2,065	335	250-290
Total Oilseeds												
2005-2006	7,510	7,255	1.92	13,904	516	16,300	7,263	4,916	830	6,188	2,850	
2006-2007F	7,452	7,373	1.86	13,679	420	16,949	7,650	5,075	907	6,449	2,850	
2007-2008F	7,665	7,530	1.76	13,250	520	16,620	8,100	5,350	720	6,460	2,060	
Total Grains And Oilseeds												
2005-2006	25,456	23,650	2.82	66,715	2,514	85,372	28,249	10,555	25,646	38,235	18,889	
2006-2007F	25,533	24,030	2.68	64,423	2,596	85,908	32,110	11,813	25,228	39,128	14,670	
2007-2008F	26,355	24,730	2.72	67,200	2,581	84,451	29,510	13,628	25,187	40,881	14,060	

¹ Excludes flaxseed

(a) Crop year is August-July except corn and soybeans which are September-August.

(b) Excludes imports of products. (c) Includes exports of products for wheat, oats, barley, and rye. Excludes exports of oilseed products.

(d) Total Domestic Use = Food and Industrial Use + Feed Waste & Dockage + Seed Use

(e) Soybean food and industrial use is based on data from the Canadian Oilseed Processors Association. Totals excludes flaxseed due to data confidentiality.

(f) Crop year average prices: No.1 CWRS 11.5% protein and No.1 CWAD 11.5% (CWB final price I/S St. Lawrence/Vancouver), Barley (No. 1 feed, WCE, cash, I/S Lethbridge), Corn (No.2 CE, cash, I/S Chatham), Oats (US No. 2 Heavy, CBoT nearby futures); Rye (No.1 CW, I/S Saskatoon); Canola (No. 1 Canada, WCE, cash, I/S Vancouver); Flaxseed (No. 1 CW, WCE, cash, I/S Thunder Bay); Soybeans (No. 2, I/S Chatham).

* Canadian Wheat Board Pool Return Outlook - Jan. 2007

F: Forecast; Agriculture and Agri-Food Canada: February 6, 2007

Source: Statistics Canada, Cereals and Oilseeds Review Series, Cat. No. 22-007



CANADA: PULSE AND SPECIAL CROPS OUTLOOK

February 6, 2007

For 2006-07, total Canadian exports and carry-out stocks of pulse and special crops are forecast to decrease from 2005-06 due to lower supply and higher domestic use. This report incorporates information from Statistics Canada's Stocks of Canadian Grain at Dec. 31, 2006. Average prices, over all types, grades and markets, are forecast to increase for dry peas, lentils, dry beans, chickpeas, mustard seed, canary seed and sunflower seed, and be stable for buckwheat.

For 2007-08, total area seeded to pulse and special crops in Canada is forecast to decrease marginally from 2006-07, as increases for chickpeas, mustard seed, canary seed and sunflower seed are more than offset by decreases for dry peas, lentils and dry beans. It is assumed that precipitation will be normal for the growing and harvest periods, and that the abandonment rate and quality will be normal. Trend yields are assumed for both western and eastern Canada, as soil moisture reserves are good in most areas. Total production in Canada is forecast to decrease slightly to 4.37 million tonnes (Mt). Total supply is expected to decrease by 13% to 5.23 Mt, as lower carry-in stocks compound the decrease in production. Exports, domestic use and carry-out stocks are forecast to decrease due to the lower supply. Average prices, over all types, grades and markets, are forecast to increase for dry peas, lentils, dry beans, mustard seed, canary seed and sunflower seed, decrease for chickpeas, and be the same for buckwheat. The main factors to watch are weather conditions, especially precipitation, during the growing and harvest periods in Canada. Other factors to watch are the exchange rates of the Canadian dollar against the US dollar and other currencies, ocean shipping rates and growing conditions in major producing regions, especially India, Pakistan, Mexico, United States, European Union, Turkey and Australia.

DRY PEAS

For 2006-07, exports are forecast to decrease sharply from 2005-06 due to lower production and supply. The average price, over all types, grades and markets, is forecast to increase because of the lower world and Canadian supply. Carry-out stocks are expected to decrease, with a stocks-to-use ratio (s/u) of 8%. For 2007-08, the area seeded is forecast to decrease by 5% from 2006-07 due to good prices for canola. Production is expected to increase marginally due to higher yields, while supply decreases, as lower carry-in stocks more than offset the increase in production. World supply is expected to decrease slightly to 11.0 Mt as slightly higher production is more than offset by lower carry-in stocks. Canadian exports and domestic use are forecast to decrease because of the lower supply. Carry-out stocks are forecast to decrease, with a s/u of 7%. The average price is expected to be slightly higher than in 2006-07 due to the lower world and Canadian supply.

LENTILS

For 2006-07, exports are forecast to increase because of higher production of red lentils and strong demand. The average price, over all types and grades, is expected to increase because of the lower world and Canadian supply. Carry-out stocks are forecast to decrease sharply, with a s/u of 15%. For 2007-08, the area seeded is forecast to decrease slightly, as a weak contracting program more than offsets the sharply lower carry-in stocks. Production is forecast to decrease due to the lower seeded area and lower yields. Supply is expected to decrease sharply because of lower carry-in stocks. World supply is forecast to decrease by 5% to 3.92 Mt. Canadian exports are expected to decrease due to the lower supply and carry-out stocks are forecast to decrease sharply, with a s/u of 6%. The average price is forecast to increase from 2006-07 because of the lower world and Canadian supply.

DRY BEANS

For 2006-07, exports are forecast to increase due to higher production and supply. Carry-out stocks are forecast to increase, with a s/u of 13%. The average price, over all classes and grades, is forecast to increase because higher Canadian supply is more than offset by lower US supply. For 2007-08, the area seeded is forecast to decrease by 15% due to historically low prices. Production

and supply are expected to decrease because of the lower area and lower yields. In the US, production and supply are expected to decrease by 15% to 0.88 Mt and 1.03 Mt, respectively. Canadian exports are forecast to decrease due to the lower supply. Carry-out stocks are expected to decrease, with a s/u of 9%. The average price is forecast to increase because of the lower US and Canadian supply.

CHICKPEAS

For 2006-07, exports are forecast to increase because of higher production and supply. The average price, over all types and grades, is forecast to increase, due to lower world supply. Carry-out stocks are expected to increase, with a s/u of 15%. For 2007-08, the area seeded is forecast to increase by 15% because of historically high prices. Production and supply are expected to increase because of the higher seeded area and higher carry-in stocks. World supply is forecast to increase by 3% to 9.2 Mt. Although Canadian exports are forecast to increase due to the higher supply, carry-out stocks are expected to rise, with a s/u of 19%. The average price is forecast to decrease due to higher world and Canadian supply.

MUSTARD SEED

For 2006-07, exports are forecast to increase slightly due to stronger demand. Carry-out stocks are expected to decrease sharply, with a s/u of 48%. The average price, over all types and grades, is forecast to increase because of the lower supply. For 2007-08, the area seeded is expected to increase by 25% due to higher prices and lower carry-in stocks. Production is forecast to increase because of the higher seeded area and higher yields, while supply decreases as lower carry-in stocks more than offset the increase in production. Exports are expected to fall due to higher prices and carry-out stocks are forecast to decrease sharply, with an s/u of 27%. The average price is expected to increase due to the lower supply.

CANARY SEED

For 2006-07, exports are forecast to decrease slightly due to higher prices. Carry-out stocks are expected to fall sharply, with a s/u ratio of 52%. The average price is forecast to increase due to lower supply. For 2007-08, the area seeded is forecast to increase by 15% due to higher prices and lower carry-in

stocks. Production is expected to increase because of the higher area, while supply decreases as lower carry-in stocks more than offset the increase in production. World supply is forecast to decrease by 20% to 275,000 t. Canadian exports are expected to decrease due to higher prices and lower supply. Carry-out stocks are forecast to fall sharply, with a s/u of 24%. The average price is forecast to increase because of the lower supply.

SUNFLOWER SEED

For 2006-07, exports and domestic use are expected to increase due to higher production and supply. Carry-out stocks are forecast to increase, with a s/u of 22%. The average price, over both types and all grades, is forecast to increase as a lower supply in the US more than offsets the higher Canadian supply. For 2007-08, the area seeded is expected to increase by 10% due to higher prices. Production and supply are forecast to decrease as a higher seeded area is more than offset by higher abandonment and lower yields. US supply is expected to increase marginally to 1.34 Mt. Canadian exports are forecast to decrease because of the lower supply, while domestic use remains stable. Carry-out stocks are expected to decrease, with a s/u of 20%. The average price is forecast to increase because of stronger demand, lower Canadian supply and less pressure on prices at the beginning of the crop year because of lower carry-in stocks.

BUCKWHEAT

For 2006-07, total use is forecast to decrease due to the lower supply. The average price is forecast to remain stable. For 2007-08, Canadian production and supply are forecast to decrease, with a stable seeded area and lower yields. The average price is expected to be the same as in 2006-07.

FURTHER INFORMATION:

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CANADA: PULSE AND SPECIAL CROPS SUPPLY AND DISPOSITION

February 6, 2007

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested thousand ha	Yield t/ha	Production	Imports (b)	Total Supply thousand metric tonnes	Exports (b)	Total Domestic Use (d)	Carry-out Stocks	Average Price (e) \$/t
Dry Peas										
2003-2004	1,303	1,271	1.67	2,124	24	2,458	1,316	937	205	175
2004-2005	1,388	1,345	2.48	3,338	57	3,600	1,853	1,152	595	135
2005-2006	1,366	1,319	2.35	3,100	76	3,771	2,566	725	480	120
2006-2007f	1,410	1,378	2.04	2,806	75	3,361	2,200	911	250	140-170
2007-2008f	1,340	1,295	2.17	2,810	75	3,135	2,050	885	200	145-175
Lentils										
2003-2004	554	536	0.97	520	5	580	367	175	38	420
2004-2005	778	750	1.28	962	10	1,010	451	314	245	310
2005-2006	884	862	1.48	1,278	8	1,531	669	387	475	230
2006-2007f	567	555	1.25	693	10	1,178	730	298	150	270-300
2007-2008f	560	543	1.23	670	10	830	580	200	50	300-330
Dry Beans										
2003-2004	167	167	2.13	356	31	482	344	83	55	495
2004-2005	163	126	1.75	220	28	303	278	20	5	650
2005-2006	197	175	1.85	324	39	368	284	49	35	495
2006-2007f	177	174	2.09	363	30	428	325	53	50	495-525
2007-2008f	150	147	1.94	285	30	365	285	50	30	565-595
Chickpeas										
2003-2004	63	63	1.08	68	2	150	74	51	25	330
2004-2005	47	39	1.31	51	4	80	47	28	5	385
2005-2006	79	73	1.42	104	7	116	64	42	10	490
2006-2007f	144	144	1.26	182	5	197	125	47	25	530-560
2007-2008f	165	154	1.23	190	5	220	135	50	35	450-480
Mustard Seed										
2003-2004	340	328	0.69	226	2	288	121	75	92	390
2004-2005	317	304	1.01	306	1	399	119	86	194	295
2005-2006	212	206	0.98	201	0	395	133	72	190	265
2006-2007f	144	140	0.83	116	0	306	135	71	100	345-375
2007-2008f	180	174	0.89	155	0	255	130	70	55	405-435
Canary Seed										
2003-2004	251	243	0.93	226	0	246	165	14	67	345
2004-2005	356	318	0.95	301	0	368	163	37	168	230
2005-2006	190	186	1.22	227	0	395	185	20	190	195
2006-2007f	119	115	1.02	117	0	307	180	22	105	325-355
2007-2008f	137	130	1.00	130	0	235	170	20	45	380-410
Sunflower Seed										
2003-2004	119	115	1.30	150	16	201	96	80	25	405
2004-2005	87	59	0.92	54	35	114	32	64	18	490
2005-2006	93	75	1.19	89	26	133	46	60	27	345
2006-2007f	75	75	2.04	153	15	195	85	75	35	355-385
2007-2008f	83	79	1.58	125	20	180	75	75	30	410-440
Buckwheat										
2003-2004	9	9	1.11	10	1	14	5	7	2	355
2004-2005	9	7	0.71	5	1	8	4	4	0	355
2005-2006	7	6	1.33	8	1	9	4	5	0	355
2006-2007f	6	6	1.17	7	1	8	4	4	0	340-370
2007-2008f	6	6	1.00	6	1	7	3	4	0	340-370
Total Pulse And Special Crops (c)										
2003-2004	2,805	2,732	1.35	3,680	81	4,419	2,488	1,422	509	
2004-2005	3,145	2,948	1.78	5,237	136	5,882	2,947	1,705	1,230	
2005-2006	3,028	2,902	1.84	5,331	157	6,718	3,951	1,360	1,407	
2006-2007f	2,642	2,587	1.72	4,437	136	5,980	3,784	1,481	715	
2007-2008f	2,621	2,528	1.73	4,371	141	5,227	3,428	1,354	445	

(a) August-July crop year.

(b) Excludes products.

(c) Includes Pulse Crops (dry peas, lentils, dry beans, chick peas) and Special Crops (mustard seed, canary seed, sunflower seed, buckwheat).

(d) Includes food, feed, seed, waste and dockage. Total domestic use is calculated residually.

(e) Producer price, FOB plant. Average over all types, grades and markets.

f: forecast, Agriculture and Agri-Food Canada, February 6, 2007

Source: Statistics Canada and industry consultations.

A. SELLING PRICE OF BULK FEED INGREDIENTS AT SELECTED POINTS

February 5, 2007

SELECTED POINT	REFERENCE PERIOD	PRICE BASIS	(1) WHEAT	OATS	BARLEY	CORN	PRICE BASIS	SOYBEAN MEAL	CANOLA MEAL	MILL-FEEDS	MEAT MEAL	FISH MEAL	ANIMAL FAT	GLUTEN MEAL	GLUTEN FEED	FEED PEAS	DEHY ALFALFA	FEATHER MEAL
Vancouver BC (4) (7)	February 5, 2007 January 29, 2007	FOB	205.00 204.00	N/A N/A	198.00 198.00	239.00 236.00		314.50 308.75	195.00 189.00	164.00 164.00		1025.00 1025.00	485.00 485.00					395.00 395.00
Calgary AB (4)	February 5, 2007 January 29, 2007	FOB	171.00 164.00	N/A N/A	170.00 171.00	204.00 207.00		289.50 287.75			150.00 150.00	1100.00 1100.00	505.00 505.00					320.00 330.00
Saskatoon SK (4)	February 5, 2007 January 29, 2007	FOB	159.50 159.50	210.00 210.00	147.50 147.50	181.00 187.00		289.00 287.25	N/A N/A		160.00 160.00	N/A N/A	505.00 505.00			183.50 180.00		350.00 360.00
Winnipeg MB (4) (9)	February 5, 2007 January 29, 2007	FOB	168.50 168.50	140.00 140.00	139.00 139.00	173.00 181.00		270.50 268.75	N/A N/A		265.00 265.00	1162.50 1162.50	515.00 515.00					380.00 380.00
Thunder Bay ON (8)	February 5, 2007 January 29, 2007	In-Store	181.00 180.60	N/A N/A	177.00 166.40													
Lake Ports USA (3)	February 5, 2007 January 29, 2007	On Board Vessel				185.02 183.93												
Bay Ports ON	February 5, 2007 January 29, 2007	In-Store	214.00 214.00	225.00 200.00	190.00 165.00													
Chatham ON	February 5, 2007 January 29, 2007	Track				169.83 171.20												
Toronto ON (5)	February 5, 2007 January 29, 2007	N/A					FOB				215.00 216.67		525.00 505.00	N/A N/A	N/A N/A		285.00 285.00	330.00 305.00
Hamilton ON	February 5, 2007 January 29, 2007	N/A						282.96 283.73	N/A N/A									
Eastern ON	February 5, 2007 January 29, 2007	FOB				173.00 170.00												
London ON	February 5, 2007 January 29, 2007	FOB												470.00 470.00	130.00 135.00			
Port Colborne ON	February 5, 2007 January 29, 2007	FOB								95.00 98.00				470.00 470.00	135.00 143.00			
Cardinal ON	February 5, 2007 January 29, 2007	FOB												475.00 475.00	140.00 146.00			
Montreal QC (5)	February 5, 2007 January 29, 2007		216.00 216.00	220.00 175.00	185.00 198.00	187.00 220.00		293.87 294.13	231.22 231.22	117.67 120.00	180.00 180.00	N/A N/A	475.50 475.50	N/A N/A	N/A N/A		270.00 270.00	360.00 360.00
Trois-Rivières QC	February 5, 2007 January 29, 2007	In-Store	220.00 216.10		203.00 207.00	212.98 212.19												
St. Jean QC (2)	February 5, 2007	FOB	206.33	177.00	178.00	185.95		313.50										
St. Hyacinthe QC	January 29, 2007		207.33	161.00	184.33	197.55		309.00										
Quebec QC	February 5, 2007 January 29, 2007	In-Store	217.80 219.02	N/A N/A	216.79 220.83	206.36 207.21		303.00 299.48	268.56 263.70									
Truro NS	February 5, 2007 January 29, 2007	Track	253.13 254.85	N/A N/A	250.51 250.51	231.84 232.21		332.10 332.84	249.75 249.75		275.60 275.60		708.00 697.00					315.00 315.00
Truro NS	February 5, 2007 January 29, 2007	Water & Truck	N/A N/A	N/A N/A	N/A N/A	N/A N/A												
Halifax NS (6)	February 5, 2007 January 29, 2007	In-Store	236.08 236.08	N/A N/A	N/A N/A	226.28 230.65		337.65 344.00	282.80 281.90	297.50 297.50		N/A N/A						

Source: Market Analysis Division, Agriculture and Agri-Food Canada; Thunder Bay prices are based on the Winnipeg Commodity Exchange (WCE) market close

US\$1.00 = CAN\$ 1.1838

Closing date February 2/2007

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N/A = not available

Footnotes: All prices in Canadian dollars per metric tonne based on survey respondents.

Grain grades (unless otherwise specified) are: Western or Eastern Feed Wheat. Feed Oats. No.1 Canada Western or Eastern Barley. No.2 Canada Yellow Corn. No.3 US Yellow Corn.

Soybean Meal 48 % Protein. Canola Meal based on minimum standard of 35% Protein. Fish Meal: white fish and/or herring meal. Gluten Meal 60% Protein. Gluten Feed 21% Protein.

(1) Wheat 3CWRS (2) Canadian Corn #3 or #2 (3) US Corn (4) Fish Meal from West Coast 63% Protein (5) Fish Meal 60% Protein (6) Herring Fish Meal (7) Fraser Valley (8) Wheat & Barley (Basis - Cash Price WCE) (9) Oats 3CW

B. CASH PRICES AND REPLACEMENT VALUES

February 5, 2007

PRAIRIE GRAINS

Selected Points	Price Basis		This week February 5, 2007	Last week January 22, 2007	Month ago January 8, 2007	Year Ago February 6, 2006
From: Thunder Bay(WCE) (2)	In-Store	Wheat	181.00	183.00	181.00	124.00
(CBO7)		Oat	258.00	269.20	261.75	202.00
(Lethbridge)		Barley	166.00	174.00	168.00	107.00
To: Bayport, ON (1)	In-store	Wheat	204.61	206.61	204.61	147.61
		Oat	N/A	N/A	N/A	N/A
		Barley	193.39	201.39	195.39	134.39
Montreal, QC (1)	In-store	Wheat	209.03	211.03	209.03	152.03
		Oat	N/A	N/A	N/A	N/A
		Barley	198.31	206.31	200.31	139.31
Moncton, NB	Truck via Halifax	Wheat	231.25	233.25	231.25	174.25
		Oat	N/A	N/A	N/A	N/A
		Barley	222.50	230.50	224.50	163.50
Truro, NS	Truck via Halifax	Wheat	225.22	227.22	225.22	168.22
		Oat	N/A	N/A	N/A	N/A
		Barley	220.00	228.00	222.00	161.00
Halifax, NS (1)	In-store	Wheat	216.28	218.28	216.28	159.28
		Oat	N/A	N/A	N/A	N/A
		Barley	206.30	214.30	208.30	147.30
Stephenville, NL	Track / Truck via Sydney	Wheat	279.63	281.63	279.63	222.63
		Oat	N/A	N/A	N/A	N/A
		Barley	N/A	N/A	N/A	N/A
Melfort, SK		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track	Barley	N/A	N/A	N/A	N/A
Bayport, ON		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track	Barley	N/A	N/A	N/A	N/A
Montreal, QC		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track	Barley	N/A	N/A	N/A	N/A
Moncton, NB		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track	Barley	N/A	N/A	N/A	N/A
Truro, NS		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track / Truck via Sydney	Barley	N/A	N/A	N/A	N/A
Stephenville, NL		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
		Barley	N/A	N/A	N/A	N/A

Selected Points	Price Basis		This week February 5, 2007	Last Week January 22, 2007	Month Ago January 8, 2007	Year Ago February 6, 2006
From: US Lake Port	On Board Vessel		185.02	184.59	166.71	103.08
To: Montreal, QC (1)	In-store		204.06	203.63	185.75	122.12
From: Chicago (IL)	Track		185.02	188.76	169.03	219.66
To: Montreal, QC	Track		213.88	217.62	197.89	248.52
From: Chatham, ON	Track		169.83	172.02	155.59	119.01
To: Montreal, QC	Track		193.70	195.89	179.46	142.88

Soymeal 48% Protein

From: Hamilton, ON			282.96	285.83	260.03	266.76
To: Montreal, QC	Track		307.29	310.16	284.36	291.09
Moncton, NB	Track		326.04	328.91	303.11	309.84
Truro, NS	Track		329.26	332.13	306.33	313.06
Stephenville, NL	Track / Truck via Sydney		377.89	380.76	354.96	361.69

1. Prices include ONE month of storage and interest charges n/a = not available

2. Thunder Bay prices are based on the Winnipeg Commodities Exchange market close (Cash price)

Source: Market Analysis Division, Agriculture and Agri-Food Canada

Contact: André Doumbé: Statistical Clerk (204) 983-0581 Fax: (204) 983-5524 e-mail: doumba@agr.gc.ca

Footnotes: All prices quoted in Canadian dollars per metric tonne.

Grain grades (unless otherwise specified) are: Canada Western Feed Wheat, Feed Oats, No. 1 Canada Western Barley, No. 2 Canada Yellow Corn, No. 3 US Yellow Corn.

Replacement value for grain in-store Montreal can be applied to Sorel, Trois-Rivières and Quebec.

Replacement values reflect quoted cash prices at shipping points plus the full transfer costs including duty and exchange where applicable

A. SELLING PRICE OF BULK FEED INGREDIENTS AT SELECTED POINTS

January 22, 2007

SELECTED POINT	REFERENCE PERIOD	PRICE BASIS	(1) WHEAT	OATS	BARLEY	CORN	PRICE BASIS	SOYBEAN MEAL	CANOLA MEAL	MILL-FEEDS	MEAT MEAL	FISH MEAL	ANIMAL FAT	GLUTEN MEAL	GLUTEN FEED	FEED PEAS	DEHY ALFALFA	FEATHER MEAL
Vancouver BC (4) (7)	January 22, 2007	FOB	204.00	N/A	198.00	236.00		308.75	189.00	164.00		1025.00	485.00					395.00
	January 15, 2007		204.00	N/A	198.00	218.00		279.50	182.50	162.00		1012.50	485.00					395.00
Calgary AB (4)	January 22, 2007	FOB	164.00	N/A	171.00	207.00		287.75			150.00	1100.00	505.00					330.00
	January 15, 2007		164.00	N/A	171.00	207.00		267.00			150.00	1100.00	505.00					330.00
Saskatoon SK (4)	January 22, 2007	FOB	159.50	210.00	147.50	187.00		287.25	N/A		160.00	N/A	505.00			177.50		360.00
	January 15, 2007		160.00	210.00	142.50	187.00		269.50	N/A		160.00	N/A	505.00			174.50		360.00
Winnipeg MB (4) (9)	January 22, 2007	FOB	168.50	140.00	139.00	181.00		268.75	N/A		265.00	1162.50	515.00					380.00
	January 15, 2007		164.00	140.00	137.00	181.00		251.50	N/A		255.00	1162.50	515.00					380.00
Thunder Bay ON (8)	January 22, 2007	In-Store	182.50	N/A	173.40													
	January 15, 2007		155.00	N/A	175.50													
Lake Ports USA (3)	January 22, 2007	On Board				184.59												
	January 15, 2007	Vessel				178.98												
Bay Ports ON	January 22, 2007	In-Store	214.00	200.00	165.00													
	January 15, 2007		215.00	200.00	165.00													
Chatham ON	January 22, 2007	Track				172.02												
	January 15, 2007					162.94												
Toronto ON (5)	January 22, 2007	N/A					FOB				216.67		505.00	N/A	N/A		285.00	305.00
	January 15, 2007										218.33		465.00	N/A	N/A		285.00	300.00
Hamilton ON	January 22, 2007	N/A						285.83	N/A									
	January 15, 2007							286.32	N/A									
Eastern ON	January 22, 2007	FOB				170.00												
	January 15, 2007					170.00												
London ON	January 22, 2007	FOB												470.00	135.00			
	January 15, 2007													470.00	132.00			
Port Colborne ON	January 22, 2007	FOB								98.00				470.00	143.00			
	January 15, 2007									98.00				470.00	140.00			
Cardinal ON	January 22, 2007	FOB												475.00	146.00			
	January 15, 2007													475.00	146.00			
Montreal QC (5)	January 22, 2007		216.00	175.00	198.00	220.00		295.83	232.72	120.00	180.00	N/A	475.50	N/A	N/A		270.00	360.00
	January 15, 2007		216.00	158.00	198.00	212.00	FOB	295.04	232.38	120.00	180.00	N/A	470.00	N/A	N/A		270.00	360.00
Trois-Rivières QC	January 22, 2007	In-Store	218.00		214.00	213.28												
	January 15, 2007		219.00		213.50	209.24												
St. Jean QC (2)	January 22, 2007	FOB	207.33	161.00	184.33	197.91		309.00										
St. Hyacinthe QC	January 15, 2007		208.67	150.33	180.00	190.56		292.14										
Quebec QC	January 22, 2007	In-Store	219.50	N/A	223.33	207.02		300.44	264.58									
	January 15, 2007		219.80	N/A	219.77	200.98		296.03	250.14									
Truro NS	January 22, 2007	Track	255.97	N/A	242.91	231.65		331.88	228.15		275.60		697.00					315.00
	January 15, 2007		255.01	N/A	242.91	217.94	FOB	311.94	228.15		281.10		686.00					315.00
Truro NS	January 22, 2007	Water	N/A	N/A	N/A	N/A												
	January 15, 2007	& Truck	N/A	N/A	N/A	N/A												
Halifax NS (6)	January 22, 2007	In-Store	236.25	N/A	N/A	226.33		352.40	287.85	297.50		N/A						
	January 15, 2007		235.08	N/A	N/A	209.50		325.00	261.30	297.50		N/A						

Source: Market Analysis Division, Agriculture and Agri-Food Canada; Thunder Bay prices are based on the Winnipeg Commodity Exchange (WCE) market close

US\$1.00 = CAN\$ 1.1759

Closing date January 19/2007

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N/A = not available

Footnotes: All prices in Canadian dollars per metric tonne based on survey respondents.

Grain grades (unless otherwise specified) are: Western or Eastern Feed Wheat. Feed Oats. No.1 Canada Western or Eastern Barley. No.2 Canada Yellow Corn. No.3 US Yellow Corn.

Soybean Meal 48 % Protein. Canola Meal based on minimum standard of 35% Protein. Fish Meal: white fish and/or herring meal. Gluten Meal 60% Protein. Gluten Feed 21% Protein.

(1) Wheat 3CWRS (2) Canadian Corn #3 or #2 (3) US Corn (4) Fish Meal from West Coast 63% Protein (5) Fish Meal 60% Protein (6) Herring Fish Meal (7) Fraser Valley (8) Wheat & Barley (Basis - Cash Price WCE) (9) Oats 3CW

B. CASH PRICES AND REPLACEMENT VALUES

January 22, 2007

PRAIRIE GRAINS

Selected Points	Price Basis		This week January 22, 2007	Last week January 8, 2007	Month ago December 26, 2006	Year Ago January 23, 2006
From: Thunder Bay(WCE) (2)	In-store	Wheat	183.00	181.00	181.00	126.00
(CBOT)		Oat	269.20	261.75	274.00	190.75
(Lethbridge)		Barley	174.00	168.00	170.00	109.00
To: Bayport, ON (1)	In-store	Wheat	206.61	204.61	204.61	149.61
		Oat	N/A	N/A	N/A	N/A
		Barley	201.39	195.39	197.39	136.39
Montreal, QC (1)	In-store	Wheat	211.03	209.03	209.03	154.03
		Oat	N/A	N/A	N/A	N/A
		Barley	206.31	200.31	202.31	141.31
Moncton, NB	Truck via Halifax	Wheat	233.25	231.25	231.25	176.25
		Oat	N/A	N/A	N/A	N/A
		Barley	230.50	224.50	226.50	165.50
Truro, NS	Truck via Halifax	Wheat	227.22	225.22	225.22	170.22
		Oat	N/A	N/A	N/A	N/A
		Barley	228.00	222.00	224.00	163.00
Halifax, NS (1)	In-store	Wheat	218.28	216.28	216.28	161.28
		Oat	N/A	N/A	N/A	N/A
		Barley	214.30	208.30	210.30	149.30
Stephenville, NL	Track / Truck via Sydney	Wheat	281.63	279.63	279.63	224.63
		Oat	N/A	N/A	N/A	N/A
		Barley	N/A	N/A	N/A	N/A
Melfort, SK		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track	Barley	N/A	N/A	N/A	N/A
Bayport, ON		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track	Barley	N/A	N/A	N/A	N/A
Montreal, QC		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track	Barley	N/A	N/A	N/A	N/A
Moncton, NB		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track	Barley	N/A	N/A	N/A	N/A
Truro, NS		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track / Truck via Sydney	Barley	N/A	N/A	N/A	N/A
Stephenville, NL		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
		Barley	N/A	N/A	N/A	N/A

Selected Points	Price Basis		This week January 22, 2007	Last Week January 8, 2007	Month Ago December 26, 2006	Year Ago January 23, 2006
Corn						
From: US Lake Port	On Board Vessel		184.59	166.71	172.69	94.90
To: Montreal, QC (1)	In-store		203.63	185.75	191.73	113.94
From: Chicago (IL)	Track		188.76	169.03	170.41	212.13
To: Montreal, QC	Track		217.62	197.89	199.27	240.99
From: Chatham, ON	Track		172.02	155.59	158.76	112.39
To: Montreal, QC	Track		195.89	179.46	182.63	136.26

Soymeal 48% Protein						
From: Hamilton, ON			285.83	260.03	255.62	284.94
To: Montreal, QC	Track		310.16	284.36	279.95	309.27
Moncton, NB	Track		328.91	303.11	298.70	328.02
Truro, NS	Track		332.13	306.33	301.92	331.24
Stephenville, NL	Track / Truck via Sydney		380.76	354.96	350.55	379.87

1. Prices include ONE month of storage and interest charges n/a = not available
 2. Thunder Bay prices are based on the Winnipeg Commodities Exchange market close (Cash price)

Source: Market Analysis Division, Agriculture and Agri-Food Canada

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Footnotes: All prices quoted in Canadian dollars per metric tonne.

Grain grades (unless otherwise specified) are: Canada Western Feed Wheat, Feed Oats, No 1 Canada Western Barley, No 2 Canada Yellow Corn, No 3 US Yellow Corn.

Replacement value for grain in-store Montreal can be applied to Sorel, Trois-Rivières and Quebec.

Replacement values reflect quoted cash prices at shipping points plus the full transfer costs including duty and exchange where applicable.

0.04 Mt for the past five years, and are forecast at 0.070 Mt for 2006, up from 0.026 Mt in 2005.

Canadian exports of **dry peas** to Colombia have averaged 0.041 Mt during the past five years, but have dropped off significantly from 0.075 Mt in 2001. For 2006, exports of dry peas are forecast at 0.028 Mt, up slightly from 0.027 Mt in 2005. *Durum* exports to Colombia have averaged 0.011 Mt for the past five years and are forecast at a record 0.041 Mt in 2006, up from 0.011 Mt in 2005.

For the past five years, Canada has imported, on average, CDN\$240 M worth of agricultural products from Colombia. In order of importance the three primary categories are: **coffee, tea, maté and spices; fruit and nuts; and, live tree, plant, and flower floriculture.** In terms of dollar value, these three categories represent about 90% of Colombia's exports to Canada, and have been increasing steadily for the past five years. For 2006, the dollar value of Canada's imports of Colombian agricultural products is forecast at a record CDN\$307M, up from the previous year's record of CDN\$294M.

SITUATION 2006-2007

For 2006-2007, total production of major field crops is expected to decrease slightly from the previous year, and this is due primarily to a continued trend in lower total seeded area. At the same time, demand for feed grains, has been steadily increasing resulting in higher imports of feed grains such as corn.

Corn

For 2006-2007, Colombia's corn **production** is estimated at 1.2 Mt, virtually unchanged from 2005-2006, as a slight improvement in yields offset most of the effect of a lower seeded area. **Imports** for 2006-2007 are estimated at a record 3.3 Mt, exceeding the previous year's record of 3.1 Mt. The increase in imports over the past five years is attributed to steadily and proportionately increasing **feed**

COLOMBIA: MAJOR FIELD CROPS SUPPLY AND DISPOSITION

July-June	2004	2005	2006	2007
Crop year	-2005	-2006	-2007	-2008f
.....thousand tonnes.....				
Carry-in Stocks	604	591	725	773
Production	2,847	2,757	2,737	2,717
Imports	<u>3,822</u>	<u>4,636</u>	<u>4,775</u>	<u>4,910</u>
Total Supply	7,273	7,984	8,237	8,400
Exports	7	10	10	10
Feed Use	2,535	3,090	3,285	3,390
Crush/Food	<u>4,140</u>	<u>4,159</u>	<u>4,169</u>	<u>4,205</u>
Total Use	6,682	7,259	7,464	7,605
Carry-out Stocks	248	478	598	608

Major field crops: rice, corn, sorghum, wheat, barley and oats
f: forecast, AAFC, January 2007
Source: USDA, FAS

use, which is estimated at a record 3.4 Mt for 2006-2007. **Carry-out stocks** are estimated at 0.4 Mt, up marginally from the previous year.

Wheat

For 2006-2007, Colombia's wheat **production** is estimated at 0.03 Mt, virtually unchanged for the past five years. It continues to rely on imports to satisfy a steadily increasing demand for medium quality wheat for milling purposes. The bulk of this demand for medium quality wheat is met with imports of hard red winter, soft red winter and hard red spring wheat from the U.S. Canada is the second largest supplier of medium grade wheat to Colombia.

Imports are forecast at a record 1.4 Mt, up from the previous year's record of 1.3 Mt. Consistent with imports, wheat **consumption** is forecast at a record 1.4 Mt. **Carry-out stocks** are forecast at 0.12 Mt, virtually unchanged from 2005-2006.

Barley

For 2006-2007, Colombia's barley **production** is forecast at 0.02 Mt, the same as the past five years, as it continues to rely on imports to satisfy demand for malting barley. Barley **imports** have fluctuated over the past five years, peaking at 0.23 Mt in 2004-2005. For 2006-2007, Colombia's barley imports are estimated at 0.20 Mt, unchanged from the previous year. Barley **consumption** is forecast at 0.23 Mt, down slightly from 0.25 Mt in 2005-2006.

Carry-out stocks are forecast at 0.027 Mt, down from 0.032 Mt in 2005-2006.

OUTLOOK 2007-2008

For 2007-2008, total **production** of Colombia's major field crops is forecast at 2.8 Mt, down slightly from 2006-2007, due primarily to a small decrease in seeded area. **Yields** for the new crop year are expected to remain stable.

Feed use is forecast at a record 3.4 Mt, up from the previous year's record of 3.3 Mt. **Food use** is forecast at 4.2 Mt, up slightly from 2006-2007, and **carry-out**

COLOMBIA: WHEAT SUPPLY AND DISPOSITION

July-June	2004	2005	2006	2007
Crop year	-2005	-2006	-2007	-2008f
.....thousand tonnes.....				
Carry-in Stocks	122	122	119	122
Production	33	33	33	33
Imports	<u>1,248</u>	<u>1,314</u>	<u>1,350</u>	<u>1,400</u>
Total Supply	1,403	1,469	1,502	1,555
Exports	6	10	10	10
Feed Use	20	20	20	20
Food Use	<u>1,255</u>	<u>1,320</u>	<u>1,350</u>	<u>1,380</u>
Total Use	1,281	1,350	1,380	1,410
Carry-out Stocks	122	119	122	145

f: forecast, AAFC, January 2007
Source: USDA, FAS

COLOMBIA: BARLEY SUPPLY AND DISPOSITION

October-September	2004	2005	2006	2007
Crop year	-2005	-2006	-2007	-2008f
.....thousand tonnes.....				
Carry-in Stocks	58	62	32	27
Production	20	20	20	20
Imports	<u>234</u>	<u>200</u>	<u>200</u>	<u>200</u>
Total Supply	312	282	252	247
Exports	0	0	0	0
Feed Use	0	0	0	0
Food Use	<u>250</u>	<u>250</u>	<u>225</u>	<u>225</u>
Total Use	250	250	225	225
Carry-out Stocks	62	32	27	22

f: forecast, AAFC, January 2007
Source: USDA, FAS

stocks are expected to be only slightly higher than 2006-2007.

Corn

For 2007-2008, Colombia's corn **production** is forecast at 1.2 Mt, down marginally from 2006-2007 and largely associated with a slight decrease in seeded area, although yields are expected to remain stable. **Imports** are forecast at 3.3 Mt, unchanged from 2006-2007, despite a projected increase in **feed use**, forecast at a record 3.5 Mt. **Carry-out stocks** are expected to fall by 20% to 0.4 Mt.

Wheat

For 2007-2008, Colombia's wheat **production** is forecast at 0.03 Mt, unchanged from the past years. **Imports** are forecast at a record 1.4 Mt, up marginally from the previous year's record. **Consumption** is forecast at a record 1.4 Mt, also up marginally from 2006-2007. **Carry-out stocks** are forecast at 0.15 Mt, up from 0.12 Mt in 2006-2007.

Barley

For 2007-2008, Colombia's barley **production** is forecast at 0.02 Mt, virtually unchanged from 2006-2007. **Imports** are forecast at 0.20 Mt, also unchanged from the previous year. For 2007-2008, **consumption** is forecast at 0.23 Mt, unchanged from 2006-2007. **Carry-out stocks** are forecast at 0.022 Mt, down slightly from 0.027 Mt in 2005-2006.

CANADA'S PROSPECTS FOR INCREASED TRADE WITH COLOMBIA

Canada's trade with Colombia, although significant, is considerably less than the amount of trade Colombia does with its other major trading partners, particularly the U.S.

In November 2006, the U.S. signed a trade agreement with Colombia that will provide U.S. exporters with improved access to Colombia's growing market for agricultural products. The U.S./Colombia Trade Promotion Agreement (CTPA) comes into effect in 2007.

The CTPA will eventually eliminate all tariffs on U.S. agricultural products entering Colombia. Canada, on the other hand, will continue to face tariffs which are applied within the confines of the Andean Price Band. The applied tariffs range from 5% to 60%, but most agricultural commodities such as wheat, barley, and chickpeas enter Colombia assessed at a 15% tariff.

On that basis, any discussions between Canada and Colombia regarding the elimination of tariff barriers are key to increasing trade activity between these two important trading partners. To that end, Canada held exploratory talks with the Andean Community (Bolivia, Colombia, Ecuador, Peru and Venezuela) in 2002 and 2003, and completed initial public consultations on the feasibility of a Free Trade Agreement (FTA). Various stakeholders, including the Canadian

Wheat Board, Pulse Canada, and the Canadian Canola Council are supportive of the idea of a Canada-Andean FTA.

The new government of Canada is looking to improve the competitive position of Canadian agriculture and agri-food exporters world wide. On that basis, the potential for increasing exports of grains, and pulse and special crops to Andean countries is being explored.

Wheat has been Canada's most important grain export to Colombia for the past five years and the trend is expected to continue, provided that Canadian exporters can compete on a level playing field. In such an environment, Colombia's increasing demand for food grain and its growing livestock industry would provide enhanced export opportunities for Canadian grains, oilseeds, pulses and special crops.

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COLOMBIA: CORN SUPPLY AND DISPOSITION

October-September Crop Year	2004 -2005	2005 -2006	2006 -2007	2007 -2008f
	thousand tonnes.....			
Carry-in Stocks	253	248	429	449
Production	1,240	1,230	1,220	1,210
Imports	<u>2,256</u>	<u>3,151</u>	<u>3,300</u>	<u>3,300</u>
Total Supply	3,749	4,629	4,949	4,959
Exports	1	0	0	0
Feed Use	2,350	3,100	3,400	3,500
Crush/Food	<u>1,150</u>	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>
Total Use	3,501	4,200	4,500	4,600
Carry-out Stocks	248	429	449	359

f: forecast, AAFC, January 2007

Source: USDA, FAS

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